

U.S. EPA's Contractor Forum
Questions and Answers
Washington, D.C
March 21, 2001

1. What changes in EPA contracting strategy and small business goals does EPA anticipate as a result in the change of Administration?

There are no proposed changes to the small business goals. EPA will continue to support all of the small business goals.

The Administration has issued some new guidance on contract strategy. The information below is from a memorandum issued by the Deputy Director of the Office of Management and Budget dated March 9, 2001, citing the three management initiatives for fiscal year (FY) 2002.

The first initiative is to make greater use of performance-based service contracts (PBSC). The PBSC goal is to award contracts over \$25,000 using PBSC techniques for not less than 20 percent of the total eligible service contracting dollars. This goal is based on the goals established under the Government-Wide Acquisition Performance Measurement Program established by the Procurement Executive Council. For more information, check the Internet site that contains information currently available on Performance-based Service Contracting, which is located at:

<http://www.arnet.gov/BestP/PPBSC/BestPPBSC.html>

The second initiative is to expand the application of on-line procurement. Agencies will post (a) all synopses for acquisitions valued at over \$25,000 for which widespread notice is required and (b) all associated solicitations unless covered by an exemption in the Federal Acquisition Regulation on the government-wide point-of-entry website (www.FedBizOpps.gov). The President's commitment is to shift procurement to the Internet at the same rate as the private sector and to increase competition and accessibility.

The third initiative is to expand A-76 competitions and more accurate FAIR Act inventories. Agencies will complete public-private or direct conversion competitions on not less than 5 percent of the full-time-equivalents (FTEs) listed on their Federal Activities Inventory Reform (FAIR) Act inventories. Agency plans will include the number of FTEs by function and location being competed, training requirements and planned contract support. The President's commitment is to open at least one-half of the Federal positions listed on the FAIR Act inventory of commercial functions to competition with the private sector.

2. What are the current and future remediation technology business opportunities?

The Emergency and Rapid Response Services Contracts (ERRS) for each Region (R) are planned as follows:

ERRS-R4	05/04/02
ERRS-R6	01/08/02
ERRS-R8	01/08/02
ERRS-R9	01/08/02
ERRS-R10	09/30/01

The Response Action Contracts (RACs) are scheduled for award to begin in the year 2005.

After the Contracts 2000 strategy was announced, the Phase I Design/Construction workgroup undertook the task of determining the appropriate infrastructure for the follow-on contracts to the current Response Action Contracts (RACs). There are various options for this class' recompetes. There is a menu approach which allows regions to select from among the following options: remedial design contracts, remedial action contracts, full service contracts (similar in scope, but smaller in size than current RACs), site specific contracts, inter-Agency agreements, cooperative agreements. While this is different from the original Contracts 2000 strategy, it is the most effective option to meet the goals of Contracts 2000 while maintaining flexibility among regions with widely varying workloads, in-house contracts staff, and reliance on other Federal agencies.

The Phase II Design/Construction workgroup will be responsible for determining how to implement the menu approach. Phase II will develop template procurement packages and standard operating procedures for the menu approach and evaluate the need for regional, zone or national response action contracts.

3. What are the 8(a) and small business opportunities?

The Office of Acquisition Management (OAM) annually compiles an acquisition forecast that includes information on prospective requirements for the current year and the following fiscal year, and indicates socio-economic procurement opportunities including set-aside competitions for small businesses, 8(a) firms, and HUBZone firms. The forecast lists all procurement opportunities exceeding \$100,000 by EPA's major contracting activities: (1) Contracts Management Division, Cincinnati, Ohio; (2) Contracts Management Division, Research Triangle Park, North Carolina; (3) Headquarters Procurement Operations Division, Washington, DC; (4) Superfund/RCRA Procurement Operations Division, Washington, DC; and (5) EPA Regional Offices 1 through 10. The forecast also provides the name of the Contracting Officer, Service Center Manager, or Team Leader responsible for the particular acquisition. The acquisition forecast is available on the Internet at: <http://www.epa.gov/oam/>

A new Headquarter's procurement that is not identified in the forecast, is an 8(a) requirement for Energy Star for Business/Technical Support. This requirement is valued between \$1 and \$3 million. For more information, contact Debbie Miller at (202) 564-1041.

If the acquisition is a follow on to a current contract, the forecast will provide the current contractor's name, contract number and expiration date of the current contract. You may also obtain the statement of work to determine whether your company can perform the type of work required. We also

encourage small businesses to contact the Office of Small and Disadvantaged Business Utilization's Small Business Specialists to obtain additional information, training, and guidance.

To locate EPA procurement opportunities under \$100,000, visit the Federal Business Opportunities Internet site where EPA started posting information in late April 2001. The Federal Business Opportunities are available on the Internet at: <http://www.fedbizopps.gov/> If you register your company e-mail address with the North American Industrial Classification System (NAICS) Codes that apply to your type of business, you will automatically receive e-mail notification the day the procurement opportunities in those NAICS Codes are posted. In addition, all EPA procurement requirements over \$25,000 and sources sought notices are advertised in the Commerce Business Daily, which is available on the Internet at: <http://cbdnet.gpo.gov/>

EPA encourages teaming arrangements between large and small businesses. For a list of the current EPA Contractors for your use in considering potential teaming arrangements, please view the EPA Active Contracts list available on the Internet at: <http://www.epa.gov/oam/> Also on this Internet site you can find the EPA organizational chart with names that you can use to submit an introduction letter or provide information on your firm and your capabilities. In addition, EPA's Office of Small and Disadvantaged Business Utilization's Internet site at: <http://www.epa.gov/osdbu/> provides companies with more information on doing business with EPA.

4. A.) How do I quote?

After determining that you are interested in a particular EPA acquisition, you need to obtain a copy of the solicitation package typically referred to as the Request for Proposal (RFP) or Request for Quotation (RFQ). Each solicitation package will set forth EPA's technical requirements in a Statement of Work, and the package will also contain all the terms and conditions and evaluation criteria that will determine the successful offeror. A contractor needs to carefully review the entire solicitation package to determine what exact information needs to be addressed in the offeror's proposal and clearly respond to all the requested information demonstrating ability to perform the work and a fair and reasonable price. The offeror must address all technical, business, and other considerations requested in the solicitation. It is important to clearly address all the information requested in the solicitation package in order to be considered for award. If you have questions regarding the solicitation, you need to submit them before the proposal due date for them to be considered. Please note that your proposal must be submitted within the time period specified in the solicitation package. If you are not selected for award, make sure to request information on why you were not selected to help improve your chances for success in the future.

4. B) How can I match EPA expectations with a reasonable quote?

To meet EPA expectations, it is important to make sure you understand the technical requirements, standard business practices, and the current market for the supplies or services required. If you don't have a substantial amount of experience in the market we suggest teaming with a more experienced contractor through subcontracting and even through the mentor-protégé program.

4. C) Subcontract opportunities?

See response to question #3.

4. D) Is there an historical database of quotes and studies?

No, there is no historical database with this information. However, an offeror can submit a Freedom of Information Act (FOIA) request for a copy of the current contract and statement of work to see the Government requirements. For more information on FOIA, check the Internet at:

<http://www.epa.gov/foia/>

4. E) Are Request for Quotes (RFQs) developed between potential contractors and EPA?

No, RFQ's are developed by EPA technical and contracting personnel based on the requirements of the procurement to include the technical, business, and other considerations.

4. F) Do I need capability in place at the time the quote is submitted before award?

If an offeror does not have the capability at the time a quote is submitted, the Contractor's proposal must demonstrate how the technical capabilities will be in place prior to award. This area would have to be addressed in detail to assure the Government that the technical requirements could be performed upon award. If it is a competitive procurement, not having the capability at the time of quote may affect your proposal evaluation when compared to other companies who have the capability to perform the work.

5. How can I locate subcontracting opportunities on major EPA projects?

See response to question #3.

6. What is the amount of the FY 2001 budget for information technology (IT) that will be set-aside for competition by only small businesses?

OAM makes every attempt to ensure that a fair and equitable portion of our IT requirements are set aside for small businesses. In recent years much of our IT budget and discretionary funding has been limited as a result of budget cuts and earmarks. In addition, many of our IT system buys are mandatory, i.e., finance, accounting and payroll systems which must follow standards set by OMB under the Joint Financial Management Improvement Program (JFMIP). Please check the acquisition forecast for IT procurement opportunities, which is available on the Internet at:

<http://www.epa.gov/oam/>

7. A) How do I learn about information technology opportunities at the agency?

Please check the acquisition forecast for IT procurement opportunities, which is available on the Internet at: <http://www.epa.gov/oam/> Information on EPA's Office of Environmental Information,

including organization chart, designated managers and contact information is available on the Internet at: <http://www.epa.gov/oei/>

7. B) Are there any pre-qualifications required by the agency aside from standard business certifications required by the Federal Government?

There are no pre-qualifications required by EPA in order to compete for Federal procurement opportunities. Each solicitation will list the business and technical requirements.

8. How does a Small Disadvantaged Business (SDB) firm currently doing business with EPA qualify as a protege under the Mentor-Protege Program?

A protege develops a Mentor-Protege Agreement with the Mentor firm and certifies to the Mentor their eligibility and status. In order to be a protege, the company must be a small disadvantaged business (SDB) as defined under the Federal Acquisition Regulation (FAR) 19.000, and a small business for the purpose of the Small Business Administration size standard applicable to the contemplated supplies or services to be provided by the Protege firm to the Mentor firm. Further, and consistent with EPA's 1993 Appropriation Act, socially disadvantaged individuals shall be deemed to include women.

9. When will EPA provide financial incentives for participating in the Mentor-Protege Program?

EPA does not receive any appropriated funding to reimburse Mentors or to provide financial incentives. EPA currently has the option to include additional technical evaluation points to offerors participating in the Mentor-Protege Program. There have been procurement requirement that have been noted to have 10 points from a total of 100 for those participating in the Mentor-Protege Program. In addition, Mentors are encouraged to enter into advance agreements on the treatment of indirect costs with their responsible audit agency.

10. What does EPA anticipate from the new administration with respect to funding such programs as Superfund?

The President's FY 2002 proposed budget for EPA is \$7.3 billion.

11. How and where can we obtain an Standard Form 129 to submit to the EPA Office of Acquisition Management?

The Standard Form 129, Solicitation Mailing List, can be obtained from the Internet at: <http://www.arnet.gov/far/> Click on "GSA Forms Library" and select the appropriate form. We suggest that you also register on SBA's PRO-Net database, which is free, and available for all small businesses on the Internet at: <http://www.pro-net.sba.gov/>

12. I am interested in hearing your take on the direction of the Agency in general and in regards to contracting under the new administration.

See response to question #1.

13. Department of Defense has a method of reimbursement for the Mentors, has EPA considered such a program or something similar?

The Department of Defense receives appropriated funding for the reimbursement of mentors. EPA does not receive any appropriated funding to reimburse mentors.

14. How can I identify procurement opportunities that are in the communications field?

See response to question 7.

15. Where can I obtain a list of interested proteges and their primary capabilities?

See response to question 8.

16. What opportunities exist for an environmental consultant firm that is a small business interested in doing business with EPA?

See response to question #3.

17. What are EPA's expectations when they list the Mentor-Protege Program requirements in a solicitation? How does EPA monitor the progress or growth of a protege? Are there milestones that the mentor has to meet?

The expectations of the Mentor-Protege Program (MPP) are long range and include the following:

- To stimulate the participation of small disadvantaged businesses, including women-owned small businesses in EPA contracts.
- To develop the necessary skills and expertise needed by small disadvantaged businesses, including women-owned small businesses to enable them to compete successfully for EPA prime and subcontract opportunities.
- To establish a long-term relationship between EPA primes and small disadvantaged businesses, including women-owned small businesses.

The Mentor-Protege Program (MPP) will expand the total contracting pool of qualified, viable, and experienced environmental firms to help increase competition for EPA procurement opportunities. EPA monitors the progress of the MPP by reviewing the annual summary report submitted with the Standard Form 295. A questionnaire is also randomly solicited from proteges for input about the MPP's impact on their company growth. The Mentor is expected to achieve the milestones, subcontracting goals, and managerial-technical assistance agreed to in the mentor-protege agreement and plan submitted as a part of the Request for Proposal(RFP).

18. What are the anticipated expenditures budgeted for fiscal year (FY) 2001 and FY 2002 for Region III's Emergency and Rapid Response Services (ERRS) contract?

The President's FY 2002 proposed budget for EPA is \$7.3 billion.

19. How can we locate EPA construction requirements under \$2,500 purchased on a credit card?

No construction requirement are purchased on a credit card due to the need for specifications and the Davis-Bacon Act Wage Determinations required over \$2000. The Agency guidance on the use of a credit card has listed construction, alteration, or repair of public buildings as a prohibited purchase for everyone in the Agency, except for the Facility Management staff that may issue purchases up to \$2000.

To locate EPA procurement opportunities under \$100,000, visit the Federal Business Opportunities Internet Web site where EPA started posting information in late April 2001. The Federal Business Opportunities are available on the Internet at: <http://www.fedbizopps.gov/>
In addition, all EPA procurement requirements over \$25,000 and sources sought notices are advertised in the Commerce Business Daily, which is available on the Internet at: <http://cbdnet.gpo.gov/>

20. A) What is the regulation that allows EPA to conduct 8(a) sole-source awards up to \$3 million dollars?

Section 8(a) of the Small Business Act (15 U.S.C. 637(a) provides that contracts may be awarded to eligible 8(a) firms on either a sole source or competitive basis. The Federal Acquisition Regulation (FAR) Part 19.805-1 provides the requirements for competition of 8(a) contracts exceeding \$3 million dollars.

20. B) Does this regulation include all awards valued at any amount under and up to \$3 million dollars?

Yes, if a qualified 8(a) firm is identified that has the relevant experience and past performance to perform the work and at a fair and reasonable price.

20. C) Does the 8(a) sole-source requirement mandate that three firms have to be solicited before award? If so, how are the other firms contacted or located?

There is no requirement to solicit more than one 8(a) firm for awards under \$3 million dollars. Awards to 8(a) firms over \$3 million dollars must be awarded competitively to eligible 8(a) firms if there is a reasonable expectation that at least two eligible and responsible firms will submit offers. To locate eligible 8(a) firms, EPA contracting officers consult with the OSDDBU Office, use the Small Business Administration's PRO-Net database, and advertise requirements in the Commerce Business Daily.

21. A) What are the statutory socio-economic goals and what are EPA's goals? If different, why?

According to the Amended Small Business Act, the statutory Government-wide socio-economic goals are: small business at 23%, small disadvantaged business (SDB) at 5%, women-owned small business at 5%, service-disabled veteran-owned small business at 3% and HUBZone firms at 2%. EPA's goals are: small business at 23.5%, SDB at 3.5%, 8(a) firms at 6% (SDB and 8(a) combine to equal the SDB goal of 9.5%), women owned small business at 5%, service-disabled veteran-owned small business at 1% and HUBZone firms at 2%. The goals listed in the Small Business Act are Government-wide goals when added together for all Federal Executive Level Agencies must equal these percentages. The goals negotiated with each agency differ due to the type of procurement opportunities conducted by different agencies. The U.S. Small Business Administration and EPA annually negotiate goals.

21. B) Why are there differences between the agency goals and what is recommended in different contracts?

According to the Small Business Act all small businesses must be given the maximum practicable opportunity to compete for each contract and subcontract. The goals listed in each contract may differ from the agency negotiated goals to reflect the supplies or services that the prime contractor determines to subcontract and the availability of small businesses. EPA strongly encourages the maximum practicable subcontracting of opportunities to small businesses. In fact, typically EPA achieves over 50 percent of prime contract dollars subcontracted to small businesses.

21. C) Who has the authority to deny a subcontracting plan?

The contracting officer, small business specialist or the Small Business Administration's Procurement Center Representative all have the authority to deny a subcontracting plan.

22. Most large EPA contractors have pre-selected their small business teaming partners, so how can a new company join an existing team?

Teaming arrangements are negotiated between the prime contractor and the small business. EPA's Office of Small and Disadvantaged Business Utilization (OSDBU) provides assistance in suggesting large and small businesses for potential networking, teaming, or Mentor/Protege relationships; however, it is up to the businesses to finalize the arrangements. To help you meet other companies in your field, you can attend various Federal procurement training sessions. In addition, you can view the source list for the procurement opportunities that fit your company and contact the other businesses on the list to see if any opportunities are available.

23. A) The reporting of goals for all subcontracting plans are reported by the percent of total subcontract dollars. However, the new SDB requirement monitors goals by the percent of the total contract value. This means a new tracking system in most companies. Is EPA seeing significant impact to Contractor's G&A cost as a result?

According to the Small Business Administration, they do not see that the SDB requires a new tracking system because contractors track dollars, not percentages. The new SDB requirement cited in your question (FAR 19.12) does not affect the traditional subcontracting plan requirements (FAR 19.7), which in most cases continue to be based on total subcontracting. (We qualify our answer with "in most cases" because a few agencies, notably NASA and the Dept. of the Army, have experimented with goals based on total contract value in the traditional subcontracting program.)

The new SDB requirement under FAR 19.12 calls for a new report, the Optional Form 312, in which the percentages are calculated on total contract value rather than total subcontracting. This simply requires the contractors to use a different denominator (the total contract amount rather than the total subcontract amount) to calculate the percentage. This only impacts the way the contractors prepare the report, not the way they track the dollars.

The Optional Form 312 is required only at contract completion. Moreover, it is required only for those contracts containing targets for SDB participation under FAR 19.12, not for every contract. This is a new requirement and EPA has no historical data to determine if a significant impact on contractor's G&A cost as a result of the new SDB goal.

23. B) Can Contractors propose businesses toward their SDB targets if those businesses qualify as "small" under their own primary NAICS code (since that's how they are classified), even if they are not small under the overall NAICS of the total procurement and cannot be used to fulfill the subcontracting goals?

According to the Small Business Administration, the primary NAICS code of the procurement does not determine the NAICS codes of the subcontracts. (Example: If a small business makes seat cushions for Boeing for a military aircraft, the NAICS code of the subcontract would be the one for manufacturing seat cushions (or the closest match to that under NAICS), not the one for manufacturing aircraft.) The SDBs have to meet the size standard of the subcontract (to continue the same example, the size standard for manufacturing seat cushions), not the size standard of the prime contract.

The last phrase in this question, "and cannot be used to fulfill the subcontracting goals," suggests some confusion between FAR 19.12 and 19.7. In order for a subcontract to be credited towards the SDB target (FAR 19.12), the subcontract has to be in a NAICS subsector (3-digit NAICS code) that is designated as a "green-light industry" or "eligible industry" (i.e., on the list of industries in which SDBs are underrepresented, which is published by OFPP at the beginning of each fiscal year). Under FAR 19.7 (the traditional subcontracting plan), subcontracts to SDBs in all industries may be counted toward the SDB goal without regard to their being in eligible industries.

23. C) Has the SDB requirements improved SDB chances and justified the expense of implementing these requirements?

According to the Small Business Administration (SBA), one component of the prior Administration's

SDB reform was a requirement for formal SBA certification to comply with the strict scrutiny standard set forth by the U.S. Supreme Court in the 1995 *Adarand v. Peña* case. SBA believes that the requirement that all SDBs be certified helps to ensure that only those who deserve the benefits receive the benefits. SBA agrees with the Dept. of Justice in its May 1996 report, *Reform of Affirmative Action in Federal Procurement*, that self-certification is not sufficient to accomplish this objective. The SDB requirements have certainly provided more opportunities for contracts, subcontracts and teaming arrangements with large contractors. SDBs have become more visible and marketable with the new requirements. The justification of expense is a relative factor and must be quantified in a much larger arena than is feasible at this point in time.

24. A) How can I get my name on a list for being a protege?

EPA does not maintain a list of firms interested in being proteges. A firm who wants to be considered as a protege should contact the EPA prime contractor that is an appropriate partner and market its firm's capabilities demonstrating the benefits to a Mentor/Protege agreement. A list of Contractor's who have an EPA contract is listed on the Internet at: <http://www.epa.gov/oam/>

24. B) Is it possible to get a list of Mentors and Proteges by the areas of expertise or areas where they would like to receive advice?

Attached to this file is a list of the current [Mentors and Proteges](#).

25. If there is a problem funding large projects, e.g., New Bedford Harbor, will small businesses be able to expect a greater portion of Superfund money in fiscal year 2001 and 2002 to be directed to smaller jobs where they would be the prime contractor?

All known business opportunities are included in the agency acquisition forecast. Vendors should refer to this to identify those opportunities available. The forecast identifies which of these will be set-aside for small businesses. See response to question #3.

26. EPA Superfund Contracts 2000: In your new "menu approach" for awarding the next generation of Response Action Contracts (RAC), will the proposed GSA remediation services contracts be included?

Yes.

27. Where can we find a list of all the credit card holders in the agency?

The list of all current purchase card holders in the agency is on the Internet. The listing includes the card holders full name and email address and is updated quarterly. The listing is located on the Internet at: <http://www.epa.gov/oam/ptod/PClist.pdf>

28. A) Are there small business goals for EPA's State Grant Programs?

Yes, there is a goal for procurements resulting from EPA grants. The goal for grants is different from the direct procurement goals. The goal for grants is 8 percent for the utilization of minority business enterprises (MBEs) and women business enterprises (WBEs). However, the goals vary from grant to grant based on the availability of MBEs and WBEs in the requisite geographical area. For example, the average goal for MBEs in Vermont is 1% whereas in California it averages about 36%.

28. B) Do the contract goals include the grants or are they separate?

The goals are separate. See response to question #21 for the contract goals and response to question #27 for the grant goals.

28. C) How are the grant goals tracked and reported by the states?

States and other grant recipients submit quarterly reports (EPA Form 5700-52A) showing total procurement dollars, dollars awarded to minority businesses, women businesses and the applicable percentages. Actual accomplishments over the past four fiscal years have averaged about 17%.

29. What are the status of proposed changes to the EPA publication guidelines, especially the restrictions on color printing?

EPA published an interim rule in the Federal Register on October 3, 2000, which was effective on that date, adding 1552.208-70, Printing, to the EPA Acquisition Regulation. This clause permits contracts to do multi-color duplication of no more than 100 pages in the aggregate using color copier technology, so long as such pages do not exceed the maximum image size of 10 3/4 by 14 1/4 inches, or 11 by 17 paper stock. Duplication services below these thresholds are not considered printing. If performance of the contract will require duplication in excess of these limits, contractors must immediately notify the contracting officer in writing. EPA may then seek a waiver from the Joint Committee on Printing, U. S. Congress. Contractors may request their contracting officers to modify existing contracts to incorporate this new clause language.

In addition, printing services was revised to include publishing newsletters and periodicals which are prohibited under EPA contracts.